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LISTING STATEMENT No. 2223

LISTED NOVEMBER 22, 1965
4,851,404 Common shares of which 150,000 are subject to issuance.
Ticker abbreviation "SMS"
Dial ticker number 1200
Post section 8.3

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

SOGEMINES LIMITED

Incorporated under the Laws of Canada by
Letters Patent dated May 9, 1951

CAPITALIZATION AS AT OCTOBER 28, 1965

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common shares without par value	8,000,000	5,507,555*	4,851,404**
* 806,151 shares of the Company are not being listed as it is the intention of the Company to eliminate same in the near future.			
** of which 150,000 are subject to issuance.			
FUNDED DEBT (First Mortgage Sinking Fund Bonds)			
\$4,500,000 at 5 7/8 % Series A			
\$5,520,000 at 6 3/4 % Series B			(see Funded Debt)
\$4,500,000 at 6 3/4 % Series C			
\$3,500,000 Bank Loan			

October 28, 1965.

1. APPLICATION

SOGEMINES LIMITED (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 4,851,404 common shares without par value of the capital stock of the Company, of which 4,701,404 have been issued and are outstanding as fully paid and non-assessable. The remaining 150,000 common shares included in this application have been reserved as follows:

Employees' stock option at a price yet to be determined: 150,000.

2. HISTORY

The Company was incorporated in 1951 under the Laws of Canada as an investment company.

On October 20, 1965, the Company amalgamated with Brockville Chemicals Limited, Inland Cement Company Limited and Iroquois Glass Limited. Supplementary Letters Patent were obtained to permit the operation of the amalgamated companies as divisions of Sogemines Limited.

An Information Booklet pertaining to this amalgamation is attached hereto.

3. NATURE OF BUSINESS

The Company is an operating company, its Cement Division having cement plants in Edmonton, Regina and Winnipeg, its Chemical Division having a plant in Brockville, Ontario, and its Glass Division having a plant in Candiac, Quebec. The enclosed Information Booklet provides much detail on the nature of the Company's business. There are slightly over one thousand (1,000) persons employed. The Company is active in the investment field as well.

4. INCORPORATION

The Company was incorporated under the Laws of Canada by Letters Patent dated May 9, 1951, with an authorized capital of 30,000 five per cent (5%) non-cumulative preferred shares of the par value of one hundred dollars (\$100) each and ten thousand (10,000) common shares without nominal or par value. By Supplementary Letters Patent dated July 6, 1953, the capital was increased by the creation of 45,000 additional five per cent (5%) non-cumulative redeemable preferred shares of the par value of one hundred

dollars (\$100) each and 15,000 additional common shares without nominal or par value. By *Supplementary Letters Patent dated June 15, 1955*, the Company was authorized to issue share warrants with respect to any fully paid up shares of any class of its capital stock; the 75,000 five per cent (5%) non-cumulative redeemable preferred shares were redesignated six per cent (6%) non-cumulative redeemable preferred shares; subdividing each of the 75,000 six per cent (6%) non-cumulative participating preferred shares of the par value of one hundred dollars (\$100) each into ten (10) six per cent (6%) non-cumulative participating preferred shares of the par value of ten dollars (\$10) each; changing each of the said 25,000 common shares without nominal or par value into one hundred (100) ordinary shares of the par value of one dollar (\$1) each; increasing the capital of the Company by the creation of 750,000 additional six per cent (6%) non-cumulative participating preferred shares of the par value of ten dollars (\$10) each and by the creation of 2,500,000 additional ordinary shares of the par value of one dollar (\$1) each. Therefore, the capital stock at that time was twenty million dollars (\$20,000,000) divided into 1,500,000 six per cent (6%) non-cumulative participating preferred shares of the par value of ten dollars (\$10) each and 5,000,000 ordinary shares of the par value of one dollar (\$1) each. By *Supplementary Letters Patent dated June 14, 1957*, the capital of the Company was increased by the creation of an additional 2,250,000 six per cent (6%) non-cumulative participating preferred shares of the par value of ten dollars (\$10) each and by the creation of an additional 7,500,000 ordinary shares of the par value of one dollar (\$1) each. By *Supplementary Letters Patent dated September 9, 1965*, the capital of the Company was altered by changing the 3,750,000 six per cent (6%) non-cumulative participating preferred shares of ten dollars (\$10) each into 3,750,000 common shares without nominal or par value and by changing the said 12,500,000 ordinary shares of the par value of one dollar (\$1) each into 1,250,000 common shares without nominal or par value and by increasing the capital of the Company by the creation of 3,000,000 additional common shares without nominal or par value so that, at this time, the capital stock of the Company consists of 8,000,000 common shares without nominal or par value.

5.

SHARE ISSUES DURING PAST TEN YEARS

Preferred Shares					
Calculation Date	Number of Shares	Price	Par Value	Contributed Amount	Contributed Surplus
Issued at par	548,530	\$10.00	\$10.00	\$ —	\$ —
April 55	50,000	13.489	10.00	3.489	174,450.00
July 55	164,000	14.61	10.00	4.61	756,040.00
Aug. 55	166,000	14.73	10.00	4.73	785,180.00
					<u>1,715,670.00</u>
Mar. 56	50,000	14.64	10.00	4.64	232,000.00
Mar. 56	70,000	14.40	10.00	4.40	308,000.00
Mar. 56	300,000	14.40	10.00	4.40	1,320,000.00
June 56	2,500	12.50	10.00	2.50	6,250.00
Aug. 56	1,000	12.50	10.00	2.50	2,500.00
					<u>3,584,420.00</u>
Jan. 57	2,500	12.50	10.00	2.50	6,250.00
May 57	7,000	12.50	10.00	2.50	17,500.00
June 57	5,000	12.50	10.00	2.50	12,500.00
July 57	341,633	14.55	10.00	4.55	1,554,430.00
					<u>5,175,100.00</u>
Mar. 60	2,500	12.50	10.00	2.50	6,250.00
Apr. 60	4,500	12.50	10.00	2.50	11,250.00
May 60	2,500	12.50	10.00	2.50	6,250.00
June 60	12,500	12.50	10.00	2.50	31,250.00
	<u>1,730,163</u>				<u>5,230,100.00</u>
Common Shares					
Issued at par	1,745,100	1.00	1.00	—	—
July 55	400,000	1.47	1.00	.47	188,000.00
Mar. 56	350,000	1.44	1.00	.44	154,000.00
July 57	623,775	1.455	1.00	.455	283,817.50
	<u>3,118,875</u>				<u>625,817.50</u>
					<u>\$5,855,917.50</u>

Issue and subscription for capital sums for use by the Company.

During 1965, the following changes were made in the issued capital:

(a) Pursuant to *Supplementary Letters Patent*, dated September 9, 1965 —

1,730,163 common shares without par value replaced the same number of preferred shares of the par value of \$10 each.

311,887 common shares without par value replaced 3,118,875 ordinary shares of the par value of \$1 each.

2,042,050

- (b) Pursuant to the Amalgamation Agreement, dated March 15, 1965 —
- 912,570 common shares without par value of Sogemines Limited will be received by Brockville Chemicals Limited in accordance with Section 2 of the Information Booklet.
- 2,131,236 common shares without par value of Sogemines Limited will be received by Inland Cement Company Limited in accordance with Section 2 of the Information Booklet.
- 421,699 common shares without par value of Sogemines Limited will be received by Iroquois Glass Limited in accordance with Section 2 of the Information Booklet.
- 5,507,555

6. STOCK PROVISIONS AND VOTING POWERS

Each common share carries one vote at all meetings of shareholders.

7. DIVIDEND RECORD

The Company to date has not paid any dividends on its shares; Brockville Chemicals Limited and Iroquois Glass Limited did not pay a dividend at any time. Inland Cement Company Limited has paid dividends as follows: 1959, 60 cents on participating preferred shares and 6 cents on the ordinary shares; 1960 - same as 1959; 1961 - same as 1959; 1962 - 80 cents on participating preferred shares and 8 cents on the ordinary shares; 1963 - same as 1962; 1964 - same as 1962.

8. RECORD OF PROPERTIES

The Company's real property is located as follows:

a) BROCKVILLE CHEMICALS DIVISION —

Maitland, Ontario — property owned - Certain parcels or tracts of land and premises situate, lying and being in the Township of Augusta in County of Grenville, being composed of Parts of Lots Numbers 23, 24 and 25 in the first consession of the said Township, with plant thereon.

b) INLAND CEMENT DIVISION —

Edmonton, Alberta — property owned — West half of Section 15, Township 53, Range 25 West of Fourth Meridian — Alberta — 169 acres with plant thereon. *Regina, Saskatchewan* — property owned — Northwest Quarter of Section 10, in Township 18, in Range 19, West of Second Meridian — Saskatchewan — 170 acres with plant thereon. *Winnipeg, Manitoba* — property owned — Parcel Three shown on a plan of a survey of part of Lots One to Eleven in the outer two miles of the Parish of St. Charles, in Manitoba, filed in Winnipeg Land Titles Office as No. 8361, Manitoba, with plant thereon.

c) IRIQUOIS GLASS DIVISION —

Candiac, Quebec — property owned — Certain parcel of land fronting on the Northeast side of Montcalm Boulevard, in Candiac, being Subdivision Two of Lot 600-2 on the Official Plan and Book of Reference of the Parish of Laprairie, with buildings thereon, the said land comprising approximately 45 acres.

9. SUBSIDIARY COMPANIES

1. *Sogemines Consultants Limited* was incorporated under the name of Kemet Limited, under the Laws of Canada, by *Letters Patent dated October 1953* with an authorized capital stock of \$100,000 divided into 10,000 shares of the par value of ten dollars (\$10) each; by *Supplementary Letters Patent dated June 5, 1957*, the name Kemet Limited was changed to Sogemines Consultants Limited and the existing capital stock was designated as 10,000 common shares of the par value of ten dollars (\$10) each and said capital stock was increased by the creation of 30,000 five per cent (5%) non-cumulative redeemable preferred shares of the par value of one hundred dollars (\$100) each; by *Supplementary Letters Patent dated June 3, 1960*, the capital stock was increased by the creation of an additional 30,000 five per cent (5%) non-cumulative redeemable preferred shares. 5,000 common shares are issued and outstanding, of which 4,996 are owned by Sogemines Limited; 21,000 five per cent (5%) non-cumulative redeemable preferred shares are issued and outstanding and are owned by Sogemines Limited. The Company was incorporated to carry on the business of a management and service company.

2. *Sogemines Investment Limited* was incorporated under the Laws of Quebec by *Letters Patent dated January 9, 1963*, with an authorized capital stock of fifty shares of the par value of one hundred dollars (100) each, of which six (6) shares are issued and outstanding, three (3) being owned by Sogemines Limited. The company was incorporated to carry on the business of an investment company.

3. *Sogemines Development Company Limited* was incorporated under the Laws of Canada by *Letters Patent dated December 6, 1955*, with an authorized capital of 75,000 five per cent (5%) non-cumulative redeemable preferred shares of the par value of one hundred dollars (\$100) and 100,000 common shares without nominal or par value; by *Supplementary Letters Patent dated June 17, 1961*, the capital was reduced by the cancellation of 27,000 of the issued and outstanding five per cent (5%) non-cumulative preferred shares; by *Supplementary Letters Patent dated December 18, 1963*, the capital was reduced by the cancellation of 10,000 of the issued and outstanding five per cent (5%) non-cumulative preferred shares, so that the capital of the company consists of 38,000 of the said preferred shares and 100,000 of said common shares. 5,000 common shares are now issued and outstanding, of which 4,993 shares are owned by Sogemines Limited. The company was incorporated for the business of mining explorations, hold property and leases, shipbuilding, transportation and investments.

4. *Sogemines Holdings Limited* was incorporated under the Laws of Quebec by *Letters Patent dated October 21, 1963*, with an authorized capital stock of fifty (50) shares of the par value of one hundred dollars (\$100), of which six (6) shares are issued and outstanding, three (3) being owned by Sogemines Limited. The company was incorporated to carry on the business of an investment company.

5. *Eastern Electro-Casting Company Limited* was incorporated under the Laws of Canada by *Letters Patent dated December 10, 1952*, with an authorized capital stock of 100,000 shares without nominal or par value; by *Supplementary Letters Patent dated September 9, 1959*, the capital stock was increased by 400,000 shares without nominal or par value; by *Supplementary Letters Patent dated November 25, 1960*, the capital stock of the company was increased by an additional 500,000 shares without nominal or par value, so that the capital stock consists of 1,000,000 shares without nominal or par value. There are issued and outstanding 720,000 shares of which Sogemines Limited owns 671,494. The company was incorporated for the purposes of ore refining and manufacturing.

10. FUNDED DEBT

The Company's funded debt consists of:

A. i)	Description of Issue	Aggregate Amount Authorized	Principal Amount Outstanding	Maturity Date	Interest Dates
	Series "A" 5 $\frac{7}{8}$ % Bonds	4,500,000	4,500,000	Sept. 15, 1984	March 15 Sept. 15
	Series "B" 6 $\frac{3}{4}$ % Bonds	5,520,000	5,520,000	May 1, 1975	May 1 Nov. 1
	Series "C" 6 $\frac{3}{4}$ % Bonds	4,500,000	4,500,000	Jan. 15 1980	Jan. 15 July 15

ii) Redemption — The Company shall have the right, at its option, to redeem either in whole at any time or in part from time to time, before maturity, Bonds of any series which by their terms are made so redeemable at such rate or rates of premium, if any, and on such date or dates as shall have been determined at the time of the issue of such Bonds and as shall be expressed in the Bonds.

iii) Security —

a) a fixed and specific mortgage on all the real property now owned by the Company or to be acquired hereafter;

b) a first floating charge on the undertaking and remaining property and assets of the Company for the time being, both present and future.

iv) Loan from The Royal Bank of Canada in the amount of \$3,500,000 payable in seven (7) annual consecutive instalments of \$500,000 each, commencing on February 1, 1966.

B. *Eastern Electro-Casting Company Limited* — 6 $\frac{1}{2}$ % sinking fund notes due August 1, 1968 with interest payments on August 1. The amount authorized is \$1,000,000; the amount outstanding is \$930,000, for which Sogemines Limited holds \$826,050.

11. OPTIONS

The Company is preparing to grant to its employees an option to purchase 150,000 common shares at a price equal to 90% of the price at which the last recorded sale of the Company's common shares took place through a recognized stock exchange on the last day of business next preceding the granting of such option, all options to be exercisable not later than March 31, 1975.

12. LISTING ON OTHER STOCK EXCHANGES

The capital stock of Sogemines Limited is listed on the Montreal Stock Exchange.

13. STATUS UNDER SECURITIES ACTS

Particulars of any filing, registration, approval or qualification with or by the Ontario Securities Commission or any corresponding governmental body or authority are as follows:

Opinion of Messrs. Tory, Tory, Deslauriers, Binnington to the effect that the transactions involved in the amalgamation would constitute exempt trades under the provisions of the Securities Act of Ontario.

14. FISCAL YEAR

The fiscal year of the Company ends on the last day of December of each year.

15. ANNUAL MEETINGS

The By-laws of the Company provide that the Annual Meeting of the Company shall be held at the Head Office of the Company or at such other place within Canada as may be fixed by resolution of the Board of Directors, on a date as the Directors may from time to time determine, not later than four months reckoning from the end of the Company's financial year. The last Annual Meeting of Shareholders was held on April 21, 1965.

16. HEAD OFFICE

The Head Office is located at Suite 4105, One Place Ville Marie, Montreal, Quebec. The Company has plants at the places listed under section 8.

17. TRANSFER AGENT

The Transfer Agent of the Company is Montreal Trust Company at the following addresses:

1. 43 King Street, Saint John, New Brunswick.

INFORMATION

with respect to

the AMALGAMATION of

Brockville Chemicals Limited

Inland Cement Company Limited

Iroquois Glass Limited

Sogemines Limited

2 April 1965

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Introduction

Shareholders' meetings of Brockville Chemicals Limited ("Brockville"), Inland Cement Company Limited ("Inland"), Iroquois Glass Limited ("Iroquois") and Sogemines Limited ("Sogemines") are being called for the purpose of approving the proposed amalgamation of said companies and related matters.

Attached hereto are Financial Statements, including Balance Sheets of each of said four companies as at December 31, 1964, a Pro Forma Consolidated Balance Sheet of Sogemines and its subsidiaries as at the same date but after giving effect to the amalgamation, Earnings Statements of each of the four companies for the five years ended on December 31, 1964, or for such shorter period as any company may have been operating, a Combined Earnings Statement of the four companies for the same period, and a brief description of the four companies together with a copy of the Agreement ("Amalgamation Agreement") between the said four companies and the three new wholly-owned subsidiary companies therein referred to, providing for the amalgamation.

The management of Sogemines has conducted a thorough study of the advantages to be derived from the amalgamation of the four companies and after careful consideration it has been decided to proceed with the amalgamation, subject, of course, to the approval of the shareholders of each of the companies involved. In arriving at this decision, a number of prominent financial institutions have been consulted and an independent comparative valuation of the four companies has been made under date of January 1965 by the well-known consulting firm, Stone & Webster Canada Limited.

The principal benefits to be derived from the amalgamation of the four companies are as follows:

- (1) **Size**—As indicated by the attached Pro Forma Consolidated Balance sheet, the total assets of the four amalgamated companies will be in excess of \$98,000,000. As the result of its larger size, the amalgamated organization should be in a position to carry out more economically the expansion programmes of its components and to undertake substantial projects with greater facility.
- (2) **Diversification**—The combined operation will result in a wider diversification of products and markets.
- (3) **Marketability**—It is estimated that on completion of the amalgamation there will be over 2,000 registered shareholders of Sogemines and a large number of holders of shares in bearer form. It is proposed to list the new common shares of Sogemines on the Montreal, Toronto, Calgary, Vancouver, Brussels and Antwerp stock exchanges. As a result of the increased number of shares and shareholders and the unification of the shares into one class of common shares, it is believed that public interest in Sogemines shares will be accelerated and a greater demand for such shares created.
- (4) **Acquisitions**—The new shares should facilitate, and be more suitable for, the acquisition of other companies and also for financing purposes.
- (5) **Economies**—The amalgamation should result in a number of administrative economies and should produce certain tax advantages.

Dividend Policy

In view of the expanding Canadian economy and as a result of additional plant facilities coming into production, the combined profits of the four companies for the year 1965 should exceed the profit of \$3,174,000 earned in the year 1964. On this assumption, it is the intention of the Directors of Sogemines to declare and pay a dividend on its new common shares at the rate of sixty cents for the current calendar year. A dividend of sixty cents for the Sogemines new common shares is the equivalent of dividends in the following amounts on each presently outstanding participating preferred share of the following companies:

Brockville.....	\$0.342
Inland.....	0.900
Iroquois.....	0.450

In addition to the initial dividend of sixty cents, it is the intention to adopt a continuing dividend paying policy as circumstances warrant.

It is believed that Brockville, Inland, Iroquois and Sogemines have the requisite degree of Canadian ownership which, in accordance with Canadian law, qualifies dividends paid by these companies to non-resident shareholders for the lower 10% rate of withholding tax. This status will not be altered by the fact of the amalgamation.

Method

As indicated in the Amalgamation Agreement, the assets of Brockville, Inland and Iroquois will ultimately become vested in a new wholly-owned subsidiary of Sogemines and Sogemines will issue in the aggregate to said three companies 3,465,505 fully paid new common shares of Sogemines with the result that each of said three companies will receive the following number of new common shares of Sogemines in respect of each outstanding share of its own capital stock:—

<u>Name</u>	<u>Preferred</u>	<u>Ordinary</u>
Brockville	.57	.057
Inland	1.50	.150
Iroquois	.75	.075

Subject to fulfilment of the conditions specified in the Amalgamation Agreement, including particularly (i) approval of the amalgamation by a majority of the votes cast by the shareholders of each of the four companies at the proposed meetings respectively and (ii) confirmation of the unification of Sogemines' outstanding share capital by the issue of Supplementary Letters Patent by the Secretary of State of Canada following upon requisite approval by the Sogemines shareholders, the amalgamation will become effective from the close of business on March 15, 1965, or on such later date or dates as the Board of Directors of Sogemines may, by resolution, determine for any of the said companies. All profit or loss from the businesses of Brockville, Inland and Iroquois will accrue from said date or dates to said new wholly-owned subsidiary of Sogemines.

The Amalgamation Agreement provides that if the requisite conditions are not fulfilled on or before September 30, 1965 or such later date as the Board of Directors of Sogemines may, by resolution, determine, the Amalgamation Agreement and all acts and proceedings taken by any of the four companies to give effect thereto shall lapse and be of no effect, except those with respect to the unification of the share capital of Sogemines.

Upon completion of the amalgamation, it is the intention that Brockville, Inland and Iroquois will be wound up or their respective charters surrendered and the new common shares of Sogemines then owned by said companies respectively, distributed to their shareholders in the proportion indicated above, all pursuant to authority to be obtained from the shareholders of said companies. No fractions of shares will be issued but bearer fractional certificates will be issued to shareholders otherwise entitled to fractions. Such fractional certificates will entitle the holder thereof and of other fractional certificates aggregating one full share to exchange the same for one full share on or before December 31, 1966. After such date, shares represented by the then outstanding fractional certificates will be sold and the net proceeds thereof, plus the net amount of any dividends less applicable taxes, will be paid to the holders of such fractional certificates against surrender thereof.

Relative Share Valuation

The relative value of the shares of each of the four companies has been determined based upon said valuation report by Stone & Webster Canada Limited, careful consideration being given to all relevant factors including values of assets, earning power, prospects, growth potential and market values. The basis of distribution has been concurred in by the financial advisers of the companies concerned. In arriving at the distribution ratio, it has been considered advisable to make what was regarded as an equitable upward adjustment in the value of the shares of the three affiliates as compared with the value of the Sogemines shares. As between the shares of each class of each of the four companies, the valuation has been made according to the ratio of their respective par values. The valuation basis is deemed to be fair and beneficial to all classes of shareholders. Both the distribution ratio and the allocation of values as between share classes have been concurred in by Stone & Webster Canada Limited and by the financial advisers referred to above.

Unification and Increase of Capital

The preferred and ordinary share capital of Sogemines will be converted into one new class of common shares without nominal or par value on the basis of one new common share for each preferred share of the par value of \$10 and one new common share for each ten ordinary shares of the par value of \$1 each.

In order to have available the requisite number of new common shares of Sogemines for the purpose of carrying out the amalgamation, it is proposed to increase the authorized share capital of Sogemines by the creation of 3,000,000 new common shares without nominal or par value. This increase will be in-

cluded in the proceedings providing for the unification of the Sogemines shares. In addition to the shares required for purposes of the amalgamation, it is proposed to reserve 150,000 new common shares of Sogemines for the purpose of granting options to officers and employees of Sogemines and its affiliated and associated companies for incentive purposes, such options to expire not later than March 31, 1975 and to be granted at a price of \$15 per share. No options will be granted to directors as such.

To facilitate the carrying out of the amalgamation, it is also proposed to unify the outstanding preferred and ordinary shares of each of the other three companies. The unification of Sogemines' stock is a condition precedent to the carrying out of the amalgamation.

The stock unification proposal for each of the four companies and the increase in capital of Sogemines require approval by at least two-thirds of the votes cast at joint special meetings of Shareholders of the company concerned and at least two-thirds of the votes cast at separate special meetings of the holders of the preferred and ordinary shares of each company concerned and subsequently confirmed in the case of each company by the issue of Supplementary Letters Patent by the Secretary of State of Canada.

Funded Debt

To the extent necessary (i) the funded debt of each of the four companies will be retired or (ii) appropriate arrangements binding upon the holders of such funded debt will be made to permit the full carrying out of the Amalgamation Agreement.

Reference is made to the attached balance sheets for information as to such funded debt.

Future Operations

The amalgamated organization will be directed by the Board of Directors of Sogemines, and the cement, chemical and glass components will continue to be operated by their present management and to market their products under the trade names which have gained widespread acceptance in their respective fields. The larger organization should permit the economical establishment of specialized departments which, on an individual basis, might not be justified. In this connection it is intended that the amalgamated business organize a new technical department with an engineering staff to review and analyze new opportunities. The combined management skills which will be available to the individual industrial groups should place them in a better position to develop, expand and utilize the resources of the four companies.

Directors and Officers

The names, descriptions or occupations and addresses of the present directors and officers of Sogemines are as follows:—

Directors of Sogemines Limited

CHARLES DE BAR.....	Executive.....	57 Route Gouvernementale Woluwe-Saint Pierre Brussels, Belgium
HENRY BLAISE.....	Executive.....	28 avenue de l'Horizon Woluwe-Saint Pierre Brussels, Belgium
FRANCIS CAMPBELL COPE, Q.C.....	Advocate.....	13 Northcote Road Hampstead, Quebec Canada
WALTER LESLIE FORSTER, C.B.E.....	Consultant.....	61 Summit Crescent Westmount, Quebec Canada
AUGUST A. FRANCK.....	Executive.....	4300 Western Avenue Apt. 1022E Montreal 6, Quebec Canada
WILBERT HARVARD HOWARD, C.B.E., Q.C.....	Advocate.....	1321 Sherbrooke St. West Apt. 21 Montreal 25, Quebec Canada

ANDRE JADOUL	Engineer	23 Ave. de la Sapiniere Uccle, Brussels, Belgium
SERGE LAMBERT	Executive	23 Ave. du Manoir Uccle, Brussels 18, Belgium
WILLIAM EARLE McLAUGHLIN	Banker	67 Sunnyside Avenue Westmount 6, Quebec Canada
MAX NOKIN	Executive	345, Chaussee de Malines Kraainem, Belgium
CHARLES C. NOTEBAERT	Executive	130 East End Avenue New York 28, N.Y., U.S.A.
HON. JEAN RAYMOND, Q.C., M.L.C.	Industrialist	18 Richelieu Street Fort Chambly, Quebec Canada
ANDRE DE SPIRLIT	Executive	2 avenue du Bresil Brussels 5, Belgium
EDGAR VAN DER STRAETEN	Executive	6b rue du Chatelain Brussels 5, Belgium
JULES ROBERT TIMMINS, O.B.E., L.L.D., D.S.C.	Industrialist	14 Sunnyside Avenue Westmount, Quebec Canada
CORNEILLE ALFRED VANDENDRIES	Executive	Prescott Road Brockville, Ontario Canada

Officers of Sogemines Limited

WILBERT HARVARD HOWARD	Chairman of the Board	1321 Sherbrooke St. West Apt. 21 Montreal 25, Quebec Canada
	Advocate	
EDGAR VAN DER STRAETEN	Vice-Chairman of the Board	6b, rue de Chatelain Brussels 5, Belgium
	Executive	
AUGUST A. FRANCK	President	4300 Western Avenue Apt. 1022E Montreal 6, Quebec Canada
	Executive	
CHARLES DE BAR	Vice-President	57 Route Gouvernementale Woluwe-Saint Pierre Brussels, Belgium
	Executive	
ANGUS ATHOLE MACNAUGHTON	Vice-President and Treasurer	4334 Montrose Avenue Westmount, Quebec, Canada
	Chartered Accountant	
JAMES DANIEL KADLEC	Secretary	1545 McGregor Street Apt. 907 Montreal, Quebec, Canada
	Executive	
GABRIELLA SPEAL RISK	Assistant-Secretary	6666 Fielding Avenue Apt. 509 Montreal, Quebec, Canada
	Administrative Assistant	

The aggregate fees and remuneration payable to the directors and officers of Sogemines during the current fiscal year ending December 31, 1965 are estimated to be \$175,000.

It is proposed to increase the number of Directors of Sogemines Limited from sixteen to seventeen and to nominate W. S. Ziegler, President of Inland Cement Company Limited, as a Director of Sogemines at the Annual General Meeting.

BRIEF DESCRIPTION OF THE FOUR COMPANIES

Brockville Chemicals Limited

Brockville was incorporated in 1959 under the laws of Canada with its head office in the Township of Augusta, Ontario.

Reference is made to the attached Financial Statements for information concerning the share capitalization and past earnings of the company and its financial position as at December 31, 1964.

Plant

The company's plant is located in the Township of Augusta near Brockville, Ontario. The rated annual capacity of the plant is as follows:

Ammonia	80,000 tons
Nitric Acid	73,000 tons
Ammonium Nitrate	55,000 tons
Nitrogen Solutions	125,000 tons

Marketing

The company's market area includes Ontario, Quebec, the Atlantic Provinces and the northeastern United States of America. Customers include agricultural fertilizer plants and industrial customers such as chemical plants and pulp and paper mills. Ammonium nitrate for blasting purposes is sold to the mining industry. All Canadian sales to the fertilizer industry are handled by the company's sales department. Ammonium nitrate for blasting purposes is sold through an agent in Canada and all sales in the United States are made through an agent.

A substantial portion of the plant's output is taken by a large industrial user under a long-term contract.

Raw Materials

The principal raw material is natural gas, which is supplied under long-term contract. In addition, large quantities of power are required which are also supplied under long-term contract.

Labour

The total labour force is approximately 225 and the annual payroll is in excess of \$1,300,000.

Inland Cement Company Limited

Inland was incorporated in 1954 under the laws of Canada with its head office in Edmonton, Alberta.

Reference is made to the attached Financial Statements for information concerning the share capitalization and past earnings of the company and its financial position as at December 31, 1964.

Plants

The company has two producing plants located at Edmonton, Alberta and Regina, Saskatchewan. In addition, a plant is under construction in Winnipeg, Manitoba which is expected to be in operation in the late spring of this year. The company also has a distribution plant in Calgary, Alberta.

The plant capacities per annum are as follows:

Edmonton	3,300,000 barrels
Regina	1,300,000 barrels
Winnipeg	<u>1,500,000 barrels</u>
Total	6,100,000 barrels

The Edmonton plant has three kilns and the Regina and the Winnipeg plants have one each.

Marketing

The company produces and markets five types of portland cement: normal, high early strength, sulphate resisting, oilwell and masonry. In addition, the company produces specialty cements as required from time to time.

The marketing area extends from Eastern British Columbia to the Lakehead in Ontario and includes all districts north of this area. The company's customers include ready-mix operators, concrete products companies, lumber and building supply dealers, oilwell cementing firms, construction contractors and all levels of Government.

The company markets its products through its own sales force. Sales offices are maintained in Edmonton and Calgary, Alberta, Regina and Saskatoon, Saskatchewan, and Winnipeg and Brandon, Manitoba.

Raw Materials

The principal raw materials are limestone and clay. Limestone for the Edmonton and Regina plants is obtained from quarries owned and operated by the company at Cadomin, Alberta and Mafeking, Manitoba respectively. The company expects to supply the Winnipeg plant initially from a local source and holds extensive long term leases on limestone deposits at several locations in Manitoba, which will be used as required. The company's proven reserves of limestone are sufficient for its requirements for the foreseeable future. Clay is obtained from company property adjacent to each plant.

The company also uses substantial quantities of power and natural gas, which are purchased from local sources.

Labour

The total number of employees varies from approximately 375 in the winter to 450 in the summer, and the annual payroll is approximately \$2,400,000.

Iroquois Glass Limited

Iroquois was incorporated in 1958 under the laws of Canada with its head office in Montreal, Quebec.

Reference is made to the attached Financial Statements for information concerning the share capitalization and past earnings of the company and its financial position as at December 31, 1964.

Plant

The company's plant is located in Candiac, Quebec, across the St. Lawrence River from Montreal. The company has extensive warehouse facilities in Candiac and rents warehouse space in Toronto, Ontario.

The plant has two regenerator furnaces, one unit melter, seven production lines and two lines for the labelling of its products. The plant has a capacity to produce 48,000 tons of containers per year.

Marketing

The company produces a wide variety of glass containers for breweries, carbonated beverage manufacturers, distilleries, wineries, dairies, food product packagers and the pharmaceutical industry.

The company's market area comprises Quebec, Ontario and the Atlantic Provinces. Products are marketed by the company's own sales force in Quebec and Ontario, and through sales agencies in the Atlantic Provinces.

Raw Materials

The principal raw material is silica sand, which is obtainable from various sources at competitive prices. The company also uses soda ash, limestone and enamel, all of which are readily available in the local market.

Labour

The company has approximately 450 employees with an annual payroll in excess of \$2,000,000.

Sogemines Limited

Sogemines was incorporated in 1951 under the laws of Canada with its head office in Montreal, Quebec, under the sponsorship of Société Générale de Belgique of Brussels, Belgium.

Reference is made to the attached Financial Statements for information concerning the share capitalization and past earnings of the company and its financial position as at December 31, 1964.

Present Operation

Sogemines is an investment, management, and holding company, investing primarily in basic industries and in the development of natural resources. The company's primary interest is to found or acquire new industries in which it can retain effective control and/or a management position. However, where attractive possibilities are available, in which the company cannot obtain or does not wish to have control, then minority interests of substantial dollar amount have been and will continue to be acquired. Sogemines in association with other Société Générale de Belgique group companies was the founder of Brockville, Inland and Iroquois.

Sogemines' share holdings in the affiliates are as follows:

<u>Name of company</u>	<u>Preferred Shares</u>		<u>Ordinary Shares</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Brockville.....	70,000	5.0	2,000,000	100.0
Inland.....	253,050	20.7	1,167,840	58.4
Iroquois.....	50,000	10.8	800,000	80.0

The holders of preferred and ordinary shares of each company are entitled to one vote per share. Thus Sogemines owns 60.9% of the voting shares of Brockville, 44.1% of the voting shares of Inland and 58.1% of the voting shares of Iroquois. In consequence, Sogemines is in a position to exercise voting control of Brockville and Iroquois and may be in a position to exercise voting control of Inland.

Sogemines shares managerial responsibility in Rothesay Paper Corporation and McAllister Towing Ltd. and manages Eastern Electro-Casting Company Limited.

Rothesay Paper Corporation, in which Sogemines has a substantial minority interest, has just completed a newsprint mill containing one of the world's largest paper machines. Rothesay has long-term sales contracts for the sale of its entire output to the United States and European markets.

McAllister Towing Ltd. (in which Sogemines in association with other Société Générale de Belgique group companies has a 50% interest) operates a docking business at Montreal, and a marine towing and salvage business in the inland waterways of Eastern Canada. Its wholly-owned subsidiary, Island Tug & Barge Limited, located on the Pacific Coast, operates a docking business at Victoria, B.C. and a marine transportation, towing and salvage business.

Eastern Electro-Casting Company Limited (in which Sogemines has a 93% equity) and its wholly-owned subsidiary Neelon Steel Limited operate a steel foundry at Sudbury, Ontario producing steel grinding balls for the mining and cement industries.

Sogemines has additional minority investments in real estate and in paper, mining and other industries.

As at December 31, 1964, Sogemines' investment in the other three companies to be amalgamated and its other investments in total were as follows:

<u>Investment</u>	<u>Book Value</u>	<u>%</u>
Brockville.....	\$ 7,200,000	20.63
Inland.....	\$ 5,076,233	14.54
Iroquois.....	\$ 2,900,000	8.31
Others.....	\$19,732,225	56.52
Totals.....	<u>\$34,908,458</u>	<u>100.00</u>

AGREEMENT

THIS AGREEMENT dated as of March 15, 1965,

BETWEEN:

BROCKVILLE CHEMICALS LIMITED, a company organized under the laws of Canada (hereinafter called "Brockville"),

OF THE FIRST PART

INLAND CEMENT COMPANY LIMITED, a company organized under the laws of Canada (hereinafter called "Inland"),

OF THE SECOND PART

IROQUOIS GLASS LIMITED, a company organized under the laws of Canada (hereinafter called "Iroquois"),

OF THE THIRD PART

SOGEMINES LIMITED, a company organized under the laws of Canada (hereinafter called "Sogemines"),

OF THE FOURTH PART

BROCKVILLE CHEMICALS (1965) LIMITED, a company organized under the laws of Canada (hereinafter called "Chemicals"),

OF THE FIFTH PART

INLAND CEMENT COMPANY (1965) LIMITED, a company organized under the laws of Canada (hereinafter called "Cement"),

OF THE SIXTH PART

AND

IROQUOIS GLASS (1965) LIMITED, a company organized under the laws of Canada (hereinafter called "Glass"),

OF THE SEVENTH PART

WITNESSETH that in consideration of the covenants and agreements hereinafter set forth the parties hereto covenant and agree as follows:

1. Purchase and Sale of Assets.

Conditional upon fulfilment of the conditions set forth in clause 4 hereof and subject to all the terms and conditions hereof, the following sales and purchases of assets are hereby made, with effect as of and from the close of business (hereinafter referred to as the "Effective Time"), on March 15, 1965 or such

later date or dates as the Board of Directors of Sogemines may, by resolution, determine, for any of the sales herein contemplated, namely:—

(a) Brockville hereby sells to Chemicals and Chemicals hereby purchases from Brockville all the assets, property and business, as a going concern, of Brockville of every kind and wherever located, other than the shares of Chemicals owned by Brockville.

The purchase prices for said assets, property and business are (i) in the case of each class of depreciable assets, a sum equal to their undepreciated capital cost to Brockville, as determined for purposes of the Income Tax Act (Canada), (ii) in the case of other assets, a sum equal to their values in the books of Brockville at the Effective Time, and (iii) an amount for goodwill equal to \$13,688,550, plus an amount equal to the liabilities of Brockville at the Effective Time and less an amount equal to the aggregate price of the aforesaid depreciable assets and other assets referred to in (i) and (ii) of this paragraph.

Said aggregate purchase price shall be paid by Chemicals to Brockville at the Closing to the extent of (i) \$50,000 by the issue to Brockville as fully paid and non-assessable of 494 shares without nominal or par value of Chemicals and by Chemicals declaring as fully paid and non-assessable the six shares of Chemicals subscribed for by its incorporators, (ii) \$13,638,550 on demand without interest and (iii) the balance by the assumption by Chemicals to the exoneration of Brockville of all debts, obligations and liabilities (other than to shareholders as such) of Brockville existing at the Effective Time.

(b) Inland hereby sells to Cement and Cement hereby purchases from Inland all the assets, property and business, as a going concern, of Inland of every kind and wherever located, other than the shares of Cement owned by Inland.

The purchase prices for said assets, property and business are (i) in the case of each class of depreciable assets, a sum equal to their undepreciated capital cost to Inland as determined for purposes of the Income Tax Act (Canada), (ii) in the case of other assets, a sum equal to their values in the books of Inland at the Effective Time, and (iii) an amount for goodwill equal to \$31,968,540, plus an amount equal to the liabilities of Inland at the Effective Time and less an amount equal to the aggregate price of the aforesaid depreciable assets and other assets referred to in (i) and (ii) of this paragraph.

Said aggregate purchase price shall be paid by Cement to Inland at the Closing to the extent of (i) \$50,000 by the issue to Inland as fully paid and non-assessable of 494 shares without nominal or par value of Cement and by Cement declaring as fully paid and non-assessable the six shares of Cement subscribed for by its incorporators, (ii) \$31,918,540 on demand without interest and (iii) the balance by the assumption by Cement to the exoneration of Inland of all debts, obligations and liabilities (other than to shareholders as such) of Inland existing at the Effective Time.

(c) Iroquois hereby sells to Glass and Glass hereby purchases from Iroquois all the assets, property and business, as a going concern, of Iroquois of every kind and wherever located, other than the shares of Glass owned by Iroquois.

The purchase prices for said assets, property and business are (i) in the case of each class of depreciable assets, a sum equal to their undepreciated capital cost to Iroquois as determined for purposes of the Income Tax Act (Canada), (ii) in the case of other assets, a sum equal to their values in the books of Iroquois at the Effective Time, and (iii) an amount for goodwill equal to \$6,325,492.50, plus an amount equal to the liabilities of Iroquois at the Effective Time and less an amount equal to the aggregate price of the aforesaid depreciable assets and other assets referred to in (i) and (ii) of this paragraph.

Said aggregate purchase price shall be paid by Glass to Iroquois at the Closing to the extent of (i) \$50,000 by the issue to Iroquois as fully paid and non-assessable of 494 shares without nominal or par value of Glass and by Glass declaring as fully paid and non-assessable the six shares of Glass subscribed for by its incorporators, (ii) \$6,275,492.50 on demand without interest, and (iii) the balance by the assumption by Glass to the exoneration of Iroquois of all debts, obligations and liabilities (other than to shareholders as such) of Iroquois existing at the Effective Time.

Brockville hereby agrees with Chemicals, Inland hereby agrees with Cement and Iroquois hereby agrees with Glass that the business being sold by said vendor to said purchaser shall be carried on by said vendor for and on behalf of said purchaser and at such purchaser's expense from and after the Effective Time until the date of Closing and that, in each case, said vendor shall account to said purchaser in respect of its conduct of the said business during such period (including any changes in its property and assets) and for all moneys received by said vendor during such period.

2. Exchange of Shares.

Conditional upon fulfilment of the conditions set forth in clause 4 hereof, all shares of Chemicals owned by Brockville and the indebtedness of Chemicals to Brockville pursuant to clause 1 hereof, all shares of Cement owned by Inland and the indebtedness of Cement to Inland pursuant to clause 1 hereof and all shares of Glass owned by Iroquois and the indebtedness of Glass to Iroquois pursuant to clause 1 hereof shall, in each case, be exchanged at the Closing by Brockville, Inland and Iroquois, respectively, for an aggregate of 3,465,505 fully paid and non-assessable new common shares of Sogemines referred to in clause 4 (c) hereof. For the shares and indebtedness of Chemicals, Brockville will receive 912,570 fully paid and non-assessable new common shares of the capital stock of Sogemines, equivalent to .57 and .057 new common shares of Sogemines for, respectively, each presently outstanding preferred and ordinary share of Brockville. For the shares and indebtedness of Cement, Inland will receive 2,131,236 fully paid and non-assessable new common shares of Sogemines, equivalent to 1.5 and .15 new common shares of Sogemines for, respectively, each presently outstanding preferred and ordinary share of Inland. For the shares and indebtedness of Glass, Iroquois will receive 421,699 fully paid and non-assessable new common shares of Sogemines, equivalent to .75 and .075 new common shares of Sogemines for, respectively, each presently outstanding preferred and ordinary share of Iroquois.

In addition, Sogemines shall assume to the exoneration of Brockville, Inland and Iroquois, respectively, the expenses of the liquidation, winding up or surrender of charter of said companies and of the distribution of the assets of said companies to their respective shareholders.

3. Further Sale of Assets.

Subject to fulfilment of the conditions set forth in clause 4 hereof, two of Chemicals, Cement and Glass shall sell to the other of them, said purchaser to be selected by Sogemines, all the assets, property and businesses, as going concerns, of said vendors with effect as of and from the Effective Time for each vendor respectively and at, in each case, prices equal to those paid for same by the vendor, such prices to be paid by the assumption by the purchaser of all liabilities of the vendor as at the Effective Time for such vendor and the balance to be paid to the vendor on demand without interest. Alternatively but subject as aforesaid the said three companies may amalgamate in any other manner.

4. Conditions.

The sales of assets, exchanges of shares and other transactions contemplated by this Agreement are subject to the following conditions and shall be effective only upon fulfilment of all such conditions:

(a) at or prior to the Closing the presently outstanding Debentures of Inland shall be redeemed or called for redemption with the moneys necessary to effect full redemption being deposited with the Trustee for the holders of such Debentures;

(b) at or prior to the Closing the presently outstanding Bonds of Brockville and Inland and the presently outstanding Debentures of Brockville and Iroquois shall have been retired or, alternatively, appropriate arrangements shall have been made with the holders thereof to permit the full carrying out of this Agreement;

(c) Sogemines shall prior to the Closing have obtained (which it need not do until prior fulfilment of conditions (a) and (b) above) supplementary letters patent (i) converting its presently authorized share capital into one class of new common shares without nominal or par value on the basis of one new common share for each ten existing ordinary shares and one new common share for each existing preferred share and (ii) increasing its authorized share capital by the creation of sufficient additional such new common shares as may be required to permit the exchanges of shares contemplated by clause 2 hereof; and

(d) prior to the Closing the shareholders of each of Brockville, Inland, Iroquois and Sogemines at special general meetings (including, where necessary, separate meetings of holders of preferred and ordinary shares) shall, by the requisite percentage of votes, have ratified and confirmed this Agreement.

In the event that such conditions are not fulfilled prior to September 30, 1965, or such later date as the Board of Directors of Sogemines may, by resolution, determine, then this Agreement and all acts and proceedings taken by any of the parties to give effect hereto shall lapse and be of no effect, except any proceedings taken to alter the share capital of Sogemines, as indicated in (c) of this clause.

5. Representations and Warranties.

Each of Brockville, Inland and Iroquois hereby represents and warrants:—

(a) that the assets, property and business being sold by it pursuant to clause 1 hereof are owned by it by good and marketable title, free and clear of encumbrances other than such encumbrances as are indicated on its balance sheet for its fiscal year ended on December 31, 1964; and

(b) between the Effective Time and the Closing it will operate the business hereby sold by it pursuant to clause 1 hereof for the account of the purchaser, its successors and assigns, in the ordinary course of business as the same was conducted by it prior to the Effective Time and shall not without the prior consent of Sogemines deal with the property, assets and business hereby sold by it except in the ordinary course of business.

6. Closing.

The Closing shall take place on a date and at a place to be designated by Sogemines which date shall not be later than thirty (30) days after fulfilment of all of the conditions set forth in clause 4 hereof, or on such earlier or later date as may be agreed upon by all parties hereto.

At the Closing:—

(a) Brockville shall deliver to Chemicals, Inland shall deliver to Cement and Iroquois shall deliver to Glass such deeds, bills of sales, assignments or other instruments of transfer and shall make such arrangements with regard to non-assignable assets as in the opinion of counsel for Sogemines may be necessary or appropriate to effectuate the transactions herein contemplated and will also deliver such documents of title, records, files and other documents as said counsel may reasonably request;

(b) the two vendors contemplated by clause 3 hereof shall make similar delivery to the purchaser as required by said clause;

(c) as required by clause 2 hereof, Brockville shall deliver to Sogemines certificates duly endorsed for transfer representing all of the outstanding shares of Chemicals and an assignment of the indebtedness of Chemicals referred to in clause 1 hereof;

(d) as required by clause 2 hereof, Inland shall deliver to Sogemines certificates duly endorsed for transfer representing all of the outstanding shares of Cement and an assignment of the indebtedness of Cement referred to in clause 1 hereof;

(e) as required by clause 2 hereof, Iroquois shall deliver to Sogemines certificates duly endorsed for transfer representing all of the outstanding shares of Glass and an assignment of the indebtedness of Glass referred to in clause 1 hereof;

(f) Sogemines shall deliver to each of Brockville, Inland and Iroquois certificates for the new common shares of Sogemines required to be delivered to each said company pursuant to the provisions of clause 2 hereof;

(g) there shall be delivered to the parties hereto an opinion of Messrs. Howard, Cate, Ogilvy, Bishop, Cope, Porteous & Hansard or other counsel for Sogemines (who may rely to the extent necessary on the certificates referred to in (h) of this clause) to the effect that (i) the conditions contemplated by clause 4 hereof have been fully complied with and this Agreement is fully effective and (ii) this Agreement has been duly authorized, executed and delivered by all parties hereto and is a valid and enforceable Agreement in accordance with its terms and binding upon the parties hereto; and

(h) there shall be delivered to Sogemines a certificate or certificates dated as of the Closing executed by the President or a Vice-President and the Secretary or the Treasurer of each of Brockville, Inland and Iroquois stating that to the best of their knowledge and belief, the conditions set forth in clause 4 hereof have been complied with by their said company and all of the representations and warranties contained in clause 5 hereof continue to be true at the date of the certificate.

7. Other Undertakings.

Each of Brockville, Inland and Iroquois agrees that it will, at any time and from time to time after the Closing and up to the time of its liquidation, winding-up or surrender of charter upon the request and at the expense of, as the case may be, Chemicals, Cement or Glass, perform, execute, acknowledge and deliver all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required to convey and transfer to and vest in the said other company all the assets, property and business intended to be assigned, transferred and conveyed pursuant to clause 1 hereof or further assigned, transferred and conveyed pursuant to clause 3 hereof.

Each of Brockville, Inland and Iroquois shall, at such time and in such form as Sogemines may specify, execute an election under Section 85D of the Income Tax Act.

Miscellaneous.

(a) Should any of the presently existing employee stock options granted by Brockville be exercised after the Effective Time, the proceeds of such exercise shall be forthwith delivered to Chemicals, its successors and assigns, and the purchase price payable by Chemicals pursuant to clause 1 hereof shall be appropriately adjusted. Such adjustment shall be so calculated as to ensure that on the exchange contemplated by clause 2 hereof Brockville will receive an additional .57 new common shares of Sogemines for each preferred share of Brockville issued upon exercise of such employee stock option.

(b) Should the conversion right attaching to the 4½% Convertible Sinking Fund Debentures, Series A, of Inland be exercised with respect to any of such Debentures hereafter and prior to Closing, the purchase price payable by Cement pursuant to clause 1 hereof shall be appropriately adjusted. Such adjustment shall be so calculated as to ensure that on the exchange contemplated by clause 2 hereof, Inland will receive an additional 1.5 new common shares of Sogemines for each preferred share of Inland issued upon the exercise of such conversion right. The liabilities of Inland assumed by Cement as part of the purchase price will, of course, have been reduced as a result of the exercise of such conversion right.

(c) Any notice, request, instruction or other document given hereunder by any party to the others shall be in writing and delivered personally or sent by registered mail, postage prepaid, addressed to such party at Suite 4105, The Royal Bank of Canada Building, Place Ville Marie, Montreal, Quebec.

(d) No party may assign its rights hereunder without the consent of the others.

(e) Sogemines may waive all or any of the terms and conditions contained in this Agreement and for all purposes of this Agreement any terms or conditions so waived shall be deemed to have been fulfilled.

(f) This Agreement shall not constitute an assignment of or agreement to assign any claim, contract, licence or commitment the assignment or attempted assignment of which by any of

Brockville, Inland, Iroquois, Chemicals, Cement or Glass without the consent of any other party thereto, would constitute a breach thereof or in any way affect the rights of any of Brockville, Inland, Iroquois, Chemicals, Cement or Glass thereunder.

(g) Time shall be of the essence hereof.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

BROCKVILLE CHEMICALS LIMITED

Per C. A. VANDENDRIES,
President

(SEAL)

Per R. H. ALSTON,
Secretary-Treasurer

INLAND CEMENT COMPANY LIMITED

Per H. E. PEARSON,
Chairman of the Board

(SEAL)

Per W. S. ZIEGLER,
President

IROQUOIS GLASS LIMITED

Per LÉON SIMARD,
Chairman of the Board

(SEAL)

Per PIERRE ANDRY,
Executive Vice-President

SOGEMINES LIMITED

Per W. H. HOWARD,
Chairman of the Board

(SEAL)

Per A. A. FRANCK,
President

BROCKVILLE CHEMICALS (1965) LIMITED

Per C. A. VANDENDRIES,
President

(SEAL)

Per R. H. ALSTON,
Secretary-Treasurer

INLAND CEMENT COMPANY (1965) LIMITED

Per H. E. PEARSON,
Chairman of the Board

(SEAL)

Per W. S. ZIEGLER,
President

IROQUOIS GLASS (1965) LIMITED

Per LÉON SIMARD,
Chairman of the Board

(SEAL)

Per PIERRE ANDRY,
Executive Vice-President

SOGEMINES LIMITED
and its Consolidated Subsidiary Companies

Pro Forma Consolidated Balance Sheet as at 31st December 1964
after giving effect to changes set out in Note 1
(in thousands of dollars)

Assets

CURRENT ASSETS

Cash	502
Accounts and notes receivable	5,720
Inventories—at the lower of cost or market	3,573
Temporary investments—at cost (Note 2)	6,540

16,335

INVESTMENTS

Marketable securities—at cost (quoted market value \$13,736)	10,653
Other Canadian and United States company securities—at cost	4,919
Participations in real estate (Note 3)	1,782
Subsidiary companies, not consolidated (Note 4)	728

18,082

FIXED ASSETS

Land, plant and equipment and construction in progress (Notes 2 and 5)	63,701
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\$98,118

Liabilities

CURRENT LIABILITIES

Accounts payable and accrued expenses	5,031
Deposits held for associated companies	2,065
Provision for relining of furnaces	260
Current portion of term debt	877

8,233

5¾% BANK LOAN

Maturing in annual instalments of \$300	2,400
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TERM DEBT (Note 6)	17,033
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27,666

Shareholders' Equity

CAPITAL STOCK

Authorized—

8,000,000 common shares without nominal or par value (Notes 1 & 7)

Issued and fully paid—

4,701,406 shares (Notes 1 & 7)	60,311
--------------------------------------	--------

SURPLUS

Contributed surplus (Note 8)	5,856
Retained earnings	4,285

70,452

\$98,118

Signed on behalf of the Board,

A. A. FRANCK, Director

F. C. COPE, Director

**BROCKVILLE CHEMICALS LIMITED
INLAND CEMENT COMPANY LIMITED
IROQUOIS GLASS LIMITED
SOGEMINES LIMITED
and their Consolidated Subsidiary Companies**

**Statement of Combined Earnings
for the five years ended 31st December 1964
(in thousands of dollars)**

	1960	1961	1962	1963	1964
Earnings from operations (Notes 1 & 3)	2,357	4,001	6,575	7,006	7,516
Investment income	220	500	683	1,032	746
	<u>2,577</u>	<u>4,501</u>	<u>7,258</u>	<u>8,038</u>	<u>8,262</u>
Interest on term debt	540	624	1,234	1,270	1,331
Earnings before depreciation, amortization of deferred expenditures and income taxes	2,037	3,877	6,024	6,768	6,931
Depreciation	1,414	1,753	3,189	3,366	3,650
Amortization of deferred expenditures	—	—	100	100	100
Income taxes (Note 2)	5	40	20	1,168	7
	<u>1,419</u>	<u>1,793</u>	<u>3,309</u>	<u>4,634</u>	<u>3,757</u>
Net earnings	<u>\$ 618</u>	<u>\$ 2,084</u>	<u>\$ 2,715</u>	<u>\$ 2,134</u>	<u>\$ 3,174</u>

Auditors' Report

We have examined the pro forma consolidated balance sheet of Sogemines Limited and its consolidated subsidiary companies as at 31st December 1964 and the statement of combined earnings of Brockville Chemicals Limited, Inland Cement Company Limited, Iroquois Glass Limited, Sogemines Limited and their consolidated subsidiary companies for the five years ended 31st December 1964 and we have obtained all the information and explanations we have required.

In our opinion, the accompanying pro forma consolidated balance sheet, when read in conjunction with the notes appended thereto, presents fairly, in accordance with generally accepted accounting principles, the consolidated financial position of Sogemines Limited and its consolidated subsidiary companies as at 31st December 1964, after giving effect to the changes set out in Note 1 of the notes to pro forma consolidated balance sheet.

In our opinion, the accompanying statement of combined earnings of Brockville Chemicals Limited, Inland Cement Company Limited, Iroquois Glass Limited, Sogemines Limited and their consolidated subsidiary companies for the five years ended 31st December 1964, when read in conjunction with the notes appended thereto, presents fairly the combined results of the operations of the companies for the five-year period, in accordance with generally accepted accounting principles applied on a consistent basis throughout the period.

McDONALD, CURRIE & CO.
Chartered Accountants.

March 15, 1965

SOGEMINES LIMITED
and its Consolidated Subsidiary Companies

Notes to Pro Forma Consolidated Balance Sheet
as at 31st December 1964

1. The pro forma consolidated balance sheet as at 31st December 1964 gives effect as of that date to:
 - (a) The unification of the preferred and ordinary shares of Sogemines Limited into one class of new common shares without nominal or par value, on the basis of one new common share for each existing preferred share and one new common share for each ten existing ordinary shares.
 - (b) The acquisition of the assets of Brockville Chemicals Limited, Inland Cement Company Limited and Iroquois Glass Limited by three newly formed wholly-owned subsidiary companies, in consideration of the issue of shares and debt of the purchasers and the assumption of liabilities of the vendors; the subsequent acquisition by Sogemines Limited of the outstanding shares and debt of the three new subsidiary companies for the aggregate consideration of 3,465,505 shares of its new common stock issued at \$15 per share; and the subsequent amalgamation of the three new subsidiary companies, all in accordance with an agreement dated as of 15th March 1965.
 - (c) The increase of the authorized share capital of Sogemines Limited to 8,000,000 new common shares without nominal or par value.
 - (d) The elimination of 806,150 new common shares of Sogemines Limited attributable to its shareholdings in Brockville Chemicals Limited, Inland Cement Company Limited and Iroquois Glass Limited and of \$12,092,250 capital paid up on such shares.

The redemption of \$653,500 4½% convertible sinking fund debentures series A of Inland Cement Company Limited.

- (f) The provision out of retained earnings of \$350,000 for the estimated costs and expenses of carrying out the foregoing transactions.
2. Temporary investments will provide the estimated \$5,000,000 required to complete the construction in progress.
3. Participations in real estate are valued at cost except for one which includes accumulated net profits less withdrawals.

4. The investment in subsidiary companies not consolidated comprises the following:

Notes—at cost	825,000
Shares—at cost	49,000
	<u>874,000</u>
Less: Provision for an operating loss in prior year	146,000
	<u><u>\$728,000</u></u>

5. The fixed assets are stated at their cost to the newly formed subsidiary companies referred to in Note 1 (b) plus the difference between the cost of the parent company's investment in those companies and the book value of the net tangible assets represented by that investment. Only the cost to the newly formed subsidiary companies will be available, as capital cost allowances, for income tax purposes.

6. Term debt:

Brockville Chemicals Limited

5¾% secured debentures maturing in equal annual instalments of \$100,000 on 15th December 1965 to 1971	700,000
6¾% first mortgage sinking fund bonds series A due 15th January 1980	4,750,000

Inland Cement Company Limited

6¾% first mortgage sinking fund bonds series A due 1975	5,760,000
5⅞% first mortgage sinking fund bonds series B due 1984	4,500,000
6% note maturing in instalments to 1972	1,500,000

Iroquois Glass Limited

5¾% secured debentures maturing in equal annual instalments of \$100,000 on 15th December 1965 to 1971	700,000
--	---------

17,910,000

Instalments due within one year included with current liabilities.	877,000
--	---------

\$17,033,000

7. There have been reserved 150,000 new common shares of Sogemines Limited for a share option plan for the officers and employees of the companies.
8. The contributed surplus arose from the issue of old par value capital stock at a premium to 31st December 1964.

**BROCKVILLE CHEMICALS LIMITED
INLAND CEMENT COMPANY LIMITED
IROQUOIS GLASS LIMITED
SOGEMINES LIMITED
and their Consolidated Subsidiary Companies**

**Notes to Statement of Combined Earnings
for the Five Years ended 31st December 1964**

1. Inter-company dividends in the following amounts are excluded from earnings from operations:
- | | | |
|-----------------|-----------------|-----------------|
| 1960—\$216,000; | 1961—\$216,000; | 1962—\$294,000; |
| 1963—\$294,000; | 1964—\$294,000. | |
2. Income taxes have been reduced by claiming capital cost allowance in excess of depreciation provided in the accounts and claiming mining, exploration and development expenses deferred in the accounts, as follows:
- | | | |
|-----------------|-------------------|-------------------|
| 1960—\$624,000; | 1961—\$933,000; | 1962—\$1,504,000; |
| 1963—\$397,000; | 1964—\$1,056,000. | |
3. Brockville Chemicals Limited was incorporated on 17th August 1959. From that date to 31st December 1961 all transactions and revenues were attributed to the organization and financing of the company or the acquisition, construction and start-up of the plant and accordingly there was no profit or loss during that period.

BROCKVILLE CHEMICALS LIMITED
(Incorporated under the laws of Canada)
Balance Sheet as at 31st December 1964

Assets

CURRENT ASSETS

Cash	393,453
Accounts receivable	652,084
Inventories of manufactured products, materials and supplies—at the lower of cost or market	1,050,371
Notes receivable	100,000
Prepaid expenses	198,118
	<u>2,394,026</u>

FIXED ASSETS

Property, plant and equipment—at cost	22,270,249
Accumulated depreciation	3,074,829
	<u>19,195,420</u>

DEFERRED EXPENDITURES (Note 1)	3,886,963
	<u><u>\$25,476,409</u></u>

Liabilities

CURRENT LIABILITIES

Accounts payable and accrued expenses	602,040
Interest payable	173,972
	<u>776,012</u>

TERM DEBT

5¾% loan from parent company payable 1st April 1966	4,500,000
5¾% secured debentures maturing in equal annual instalments of \$100,000 on 15th December 1965 to 1971	700,000
6¾% first mortgage sinking fund bonds Series A due 15th January 1980 (a sinking fund instalment of \$250,000 is payable on 15th January 1965)	4,750,000
	<u>9,950,000</u>
	<u>10,726,012</u>

Shareholders' Equity

CAPITAL STOCK

Authorized—

2,000,000 6% non-callable non-cumulative participating preferred shares of the par value of \$10 each (Note 2)

5,000,000 ordinary shares of the par value of \$1 each

Issued and fully paid—

1,401,000 preferred shares 14,010,000 |

2,000,000 ordinary shares 2,000,000 |

16,010,000

DEFICIT 1,259,603 |

14,750,397

\$25,476,409

Signed on behalf of the Board,
W. LESLIE FORSTER, Director.
C. VANDENDRIES, Director.

BROCKVILLE CHEMICALS LIMITED
Statement of Earnings
for the three years ended 31st December 1964

	1962	1963	1964
Earnings from operations.....	438,927	1,155,976	2,101,767
Interest on term debt.....	609,472	642,933	627,962
Earnings (loss) before depreciation.....	(170,545)	513,043	1,473,805
Depreciation.....	811,959	1,103,705	1,160,242
Net earnings (loss) for the year (Note 3).....	<u><u>\$(982,504)</u></u>	<u><u>\$ (590,662)</u></u>	<u><u>\$ 313,563</u></u>

Notes to Financial Statements

1. Deferred expenditures are as follows:

Organization and financing.....	117,130
Commission on issue of shares.....	690,000
Bond discount.....	150,000
Pre-operating expenses.....	2,929,833
	<u><u>\$3,886,963</u></u>

2. The company granted an option to purchase, for cash, 70,000 of its preferred shares at \$10 per share. There remains a balance of 69,000 shares under option exercisable up to, and including, 30th June 1966.
3. Income taxes on earnings for the year ended 31st December 1964 have been eliminated by application of losses of prior years.
4. The company was incorporated on 17th August 1959. From that date to 31st December 1961 all transactions and revenues were attributed to the organization and financing of the company or the acquisition, construction and start-up of the plant and accordingly, there was no profit or loss during that period.

Auditors' Report

We have examined the balance sheet of Brockville Chemicals Limited as at 31st December 1964 and the statement of earnings for the three years ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and statement of earnings, when read in conjunction with the notes appended thereto, are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at 31st December 1964 and the results of its operations for the three years ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent throughout the three year period.

McDONALD, CURRIE & Co.
Chartered Accountants.

15 March 1965

INLAND CEMENT COMPANY LIMITED
(Incorporated under the laws of Canada)
and its Wholly-owned Subsidiary Company

Consolidated Balance Sheet as at 31st December 1964

Assets

CURRENT ASSETS

Cash	678,567
Accounts receivable	2,060,048
Inventories of cement, production materials and supplies—at cost	1,325,978
Prepaid expenses	49,368
	<u>4,113,961</u>

TEMPORARY INVESTMENTS—at cost (Note 3)	6,540,265
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FIXED ASSETS

Land, buildings, machinery and construction in progress—at cost	41,573,471
Accumulated depreciation and depletion (Note 1)	10,449,779
	<u>31,123,692</u>

OTHER ASSETS

Unamortized bond and debenture discount	69,933
	<u><u>\$41,847,851</u></u>

Liabilities

CURRENT LIABILITIES

Accounts payable and accrued expenses	1,016,204
Accounts payable—construction	1,894,351
Current portion of term debt	427,500
	<u>3,338,055</u>

TERM DEBT

Bonds, debentures and note (Note 2)	11,986,000
	<u>15,324,055</u>

Shareholders' Equity

CAPITAL STOCK

Preferred shares, par value \$10 (6% non-cumulative participating voting and non-redeemable)	
Authorized—2,400,000 shares	
Issued —1,220,824 shares	12,208,240
Ordinary shares, par value \$1	
Authorized—4,000,000 shares	
Issued —2,000,000 shares	2,000,000
	<u>14,208,240</u>

PREMIUM ON CAPITAL STOCK	5,773,260
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RETAINED EARNINGS	6,542,296
	<u>26,523,796</u>
	<u><u>\$41,847,851</u></u>

Signed on behalf of the Board,
H. E. PEARSON, Director.
W. S. ZIEGLER, Director.

INLAND CEMENT COMPANY LIMITED
and its Wholly-owned Subsidiary Company

Consolidated Statement of Earnings
for the five years ended 31st December 1964

	1960	1961	1962	1963	1964
Earnings from operations.....	2,557,593	3,469,856	4,833,058	4,621,530	4,067,539
Investment income.....	7,258	37,763	72,685	156,942	210,234
	<u>2,564,851</u>	<u>3,507,619</u>	<u>4,905,743</u>	<u>4,778,472</u>	<u>4,277,773</u>
Interest on notes, bonds and debentures.....	380,935	434,408	434,408	429,673	533,647
Earnings before depreciation and income taxes.....	<u>2,183,916</u>	<u>3,073,211</u>	<u>4,471,335</u>	<u>4,348,799</u>	<u>3,744,126</u>
Depreciation.....	1,101,142	1,342,253	1,756,818	1,621,583	1,740,875
Income taxes (Note 1).....	—	—	—	1,048,000	—
	<u>1,101,142</u>	<u>1,342,253</u>	<u>1,756,818</u>	<u>2,669,583</u>	<u>1,740,875</u>
Consolidated net earnings for the year.....	<u>\$1,082,774</u>	<u>\$1,730,958</u>	<u>\$2,714,517</u>	<u>\$1,679,216</u>	<u>\$2,003,251</u>

Notes to the Consolidated Financial Statements

1. INCOME TAXES

The companies have claimed or intend to claim for income tax purposes capital cost allowance which is in excess of the depreciation recorded in the accounts and accordingly, the taxes on income have been reduced by the following amounts: 1960—\$538,000; 1961—\$866,000; 1962—\$1,436,000; 1963—\$310,000; 1964—\$998,000.

2. TERM DEBT

4½% convertible sinking fund debentures series A due 1976.....	653,500
6¾% first mortgage sinking fund bonds series A due 1975.....	5,760,000
5¾% first mortgage sinking fund bonds series B due 1984.....	4,500,000
6% note maturing in instalments to 1972.....	1,500,000
	<u>12,413,500</u>
Instalments due within one year included with current liabilities.....	427,500
	<u>\$11,986,000</u>

The payments required in each of the next five years to meet debt instalments and sinking fund provisions are: 1965 and 1966 \$427,500; 1967 and 1968 \$547,500; 1969 \$772,500. The 4½% debentures may be converted into preferred shares before 15th July 1966 on the basis of 20 shares for each \$500 principal amount of debentures.

3. CONSTRUCTION IN PROGRESS

Temporary investments will provide the estimated \$5,000,000 required to complete the construction in progress.

Auditors' Report

We have examined the consolidated balance sheet of Inland Cement Company Limited and its wholly-owned subsidiary company as at 31st December 1964 and the consolidated statement of earnings for the five years ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and consolidated statement of earnings, when read in conjunction with the notes appended thereto, are properly drawn up so as to exhibit a true and correct view of the consolidated state of the affairs of the companies as at 31st December 1964 and the consolidated results of their operations for the five years ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent throughout the five year period.

15 March 1965.

McDONALD, CURRIE & Co.
Chartered Accountants.

IROQUOIS GLASS LIMITED
(Incorporated under the laws of Canada)

Balance Sheet as at 31st December 1964

Assets

CURRENT ASSETS

Cash	19,438
Accounts receivable	515,145
Inventories of manufactured products, materials and supplies—at the lower of cost or market	1,196,717
Prepaid expenses	29,788
	<u>1,761,088</u>

FIXED ASSETS

Property, plant and equipment—at cost	8,994,146
Accumulated depreciation	2,265,546
	<u>6,728,600</u>

DEFERRED EXPENDITURES (Note 1)	687,852
	<u><u>\$9,177,540</u></u>

Liabilities

CURRENT LIABILITIES

Bank loan	50,000
Accounts payable and accrued expenses	873,043
	<u>923,043</u>

TERM DEBT

5¾% loan from parent company payable 1st April 1966	1,600,000
5¾% secured debentures maturing in equal annual instalments of \$100,000 on 15th December 1965 to 1971	700,000
	<u>2,300,000</u>

PROVISION FOR RELINING OF FURNACES	260,000
	<u>3,483,043</u>

Shareholders' Equity

CAPITAL STOCK

Authorized—

- 800,000 6% non-callable non-cumulative participating preferred shares of the par value of \$10 each
- 2,000,000 ordinary shares of the par value of \$1 each

Issued and fully paid—

462,266 preferred shares	4,622,660
1,000,000 ordinary shares	1,000,000
	<u>5,622,660</u>

RETAINED EARNINGS	71,837
	<u>5,694,497</u>
	<u><u>\$9,177,540</u></u>

Signed on behalf of the Board,
LÉON SIMARD, Director.
C. A. VANDENDRIES, Director.

IROQUOIS GLASS LIMITED

Statement of Earnings for the five years ended 31st December 1964

	1960	1961	1962	1963	1964
Earnings (loss) from operations	(202,084)	543,356	1,303,063	1,228,935	1,347,504
Interest on term debt.	159,248	201,704	190,443	197,337	170,070
Earnings (loss) before depreciation and amortization of deferred expenditures . .	(361,332)	341,652	1,112,620	1,031,598	1,177,434
Depreciation.	300,828	399,302	609,758	630,744	736,857
Amortization of deferred expenditures.	—	—	100,000	100,000	100,000
	<u>300,828</u>	<u>399,302</u>	<u>709,758</u>	<u>730,744</u>	<u>836,857</u>
Net earnings (loss) for the year (Note 2)	<u><u>\$ (662,160)</u></u>	<u><u>\$ (57,650)</u></u>	<u><u>\$ 402,862</u></u>	<u><u>\$ 300,854</u></u>	<u><u>\$ 340,577</u></u>

Notes to Financial Statements

1. Deferred expenditures are as follows:

Organization and financing.	\$ 237,682
Pre-operating.	378,130
Plant start-up less amortization of \$300,000.	72,040
	<u><u>\$ 687,852</u></u>

2. Income taxes on earnings have been eliminated by application of losses of prior years.

Auditors' Report

We have examined the balance sheet of Iroquois Glass Limited as at 31st December 1964 and the statement of earnings for the five years ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and statement of earnings, when read in conjunction with the notes appended thereto, are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at 31st December 1964 and the results of its operations for the five years ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent throughout the five year period.

McDONALD, CURRIE & Co.
Chartered Accountants.

15 March 1965.

SOGEMINES LIMITED
(Incorporated under the laws of Canada)
and its Wholly-owned Consolidated Subsidiary Companies

Consolidated Balance Sheet as at 31st December 1964

CURRENT ASSETS	Assets	
Cash.....		93,183
Accounts receivable and accrued interest.....		465,538
Short term investments—at cost		
Notes of subsidiary companies not consolidated.....		6,100,000
Other notes.....		1,650,000
		<u>8,308,721</u>
INVESTMENTS		
Marketable securities—		
Shares of Canadian companies—at cost (quoted market value		
\$13,736,040).....		10,652,476
Other Canadian and United States company securities—at cost.....		4,919,167
Subsidiary companies not consolidated (Note 1).....		9,805,033
Participations in real estate (Note 2).....		1,781,782
		<u>27,158,458</u>
FIXED ASSETS		
Equipment and office furniture—at cost.....		132,891
Accumulated depreciation.....		120,817
		<u>12,074</u>
		<u>\$35,479,253</u>
	Liabilities	
CURRENT LIABILITIES		
Accounts payable and accrued expenses.....		94,906
Income taxes.....		7,945
Deposits held for associated companies.....		2,064,726
		<u>2,167,577</u>
5¾% BANK LOAN		
Maturing in annual instalments of \$300,000.....		2,400,000
		<u>\$ 4,567,577</u>
	Shareholders' Equity	
CAPITAL STOCK		
Authorized—		
3,750,000 6% non-cumulative participating preferred shares (non-redeemable)		
of the par value of \$10 each		
12,500,000 ordinary shares of the par value of \$1 each		
Issued and fully paid—		
1,730,163 preferred shares.....		17,301,630
3,118,875 ordinary shares.....		3,118,875
		<u>20,420,505</u>
SURPLUS		
Premium on issue of capital stock.....		5,855,917
Net gain on sales of investments.....		643,854
Retained earnings.....		3,991,400
		<u>10,491,171</u>
		<u>30,911,676</u>
Signed on behalf of the Board,		<u>\$35,479,253</u>
A. A. FRANCK, Director.		
F. C. COPE, Director.		

SOGEMINES LIMITED
and its Wholly-owned Consolidated Subsidiary Companies

Consolidated Statement of Earnings
for the five years ended 31st December 1964

	1960	1961	1962	1963	1964
Earnings before depreciation and income taxes (Note 5)	429,413	678,588	903,973	1,168,460	829,817
Depreciation	12,137	11,341	10,328	9,757	11,876
Provision for income taxes (Note 6)	5,000	40,000	20,000	120,000	7,000
	<u>17,137</u>	<u>51,341</u>	<u>30,328</u>	<u>129,757</u>	<u>18,876</u>
Net earnings for the year	<u>\$ 412,276</u>	<u>\$ 627,247</u>	<u>\$ 873,645</u>	<u>\$1,038,703</u>	<u>\$ 810,941</u>

Notes to Consolidated Financial Statements

1. The investment in subsidiary companies not consolidated comprises the following:

Notes—at cost	826,050
Shares—at cost, less provision for an operating loss in a prior year	<u>8,978,983</u>
	<u>\$9,805,033</u>

Included in the above are \$4,979,580 of marketable securities, at cost, which had a market value on 31st December 1964 of \$4,990,300. The amount necessary to make full provision for the parent company's share of the accumulated losses less profits of the subsidiary companies not consolidated is \$24,000.

2. Participations in real estate are valued at cost except for one which includes accumulated net profits less withdrawals. Depreciation of \$80,000 on this real estate has been charged to these profits.
3. The company has guaranteed a loan of \$121,000 to a subsidiary company not consolidated.
4. Interest on the 5¾% bank loan amounting to \$139,467 has been charged to subsidiary companies not consolidated.
5. Earnings before depreciation and income taxes include the following dividends received from a non-consolidated subsidiary company: 1960—\$216,000; 1961—\$216,000; 1962—\$294,000; 1963—\$294,000; 1964—\$294,000.
6. Under the provisions of the Income Tax Act, the companies have claimed or intend to claim capital cost allowance for income tax purposes in excess of depreciation provided in the accounts. Similarly, mining exploration and development expenses deferred in the accounts have been claimed for income tax purposes. As an aggregate result, taxes on income have been reduced by the following amounts: 1960—\$86,000; 1961—\$67,000; 1962—\$68,000; 1963—\$87,000; 1964—\$58,000.

Auditors' Report

We have examined the consolidated balance sheet of Sogemines Limited and its wholly-owned consolidated subsidiary companies as at 31st December 1964 and the consolidated statement of earnings for the five years ended on that date. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and consolidated statement of earnings, when read in conjunction with the notes appended thereto, are properly drawn up so as to exhibit a true and correct view of the consolidated state of the affairs of the companies as at 31st December 1964 and the consolidated results of their operations for the five years ended on that date in accordance with generally accepted accounting principles applied on a basis consistent throughout the five year period.

15 March 1965.

McDONALD, CURRIE & Co.
Chartered Accountants.

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1862. It is a very important document, as it contains the President's message to Congress for the first time since the beginning of the Civil War.

2. The second part of the document is a report from the Secretary of the War Department, dated January 10, 1862. It contains a detailed account of the military operations of the Union Army during the previous year.

3. The third part of the document is a report from the Secretary of the Navy Department, dated January 10, 1862. It contains a detailed account of the naval operations of the Union Navy during the previous year.

4. The fourth part of the document is a report from the Secretary of the Treasury Department, dated January 10, 1862. It contains a detailed account of the financial operations of the Union Government during the previous year.

5. The fifth part of the document is a report from the Secretary of the Interior Department, dated January 10, 1862. It contains a detailed account of the land and mineral operations of the Union Government during the previous year.

6. The sixth part of the document is a report from the Secretary of the State Department, dated January 10, 1862. It contains a detailed account of the diplomatic operations of the Union Government during the previous year.

7. The seventh part of the document is a report from the Secretary of the War Department, dated January 10, 1862. It contains a detailed account of the military operations of the Union Army during the previous year.

2. 777 Dorchester Boulevard West, Montreal 2, Quebec.
3. 15 King Street West, Toronto, Ontario.
4. 10185 - 102nd Street, Edmonton, Alberta.
5. 466 Howe Street, Vancouver, British Columbia.

18. **TRANSFER FEE**

No fee is charged on stock transfers other than customary government stock transfer taxes.

19. **REGISTRAR**

The Registrar of the Company is Montreal Trust Company at the places stated in Section 17.

20. **AUDITORS**

The Auditors of the Company are Messrs. McDonald, Currie & Co., CIL House, 630 Dorchester Boulevard West, Montreal, Quebec.

21. **OFFICERS**

The Officers of the Company are:

WILBERT HARVARD HOWARD, C.B.E., Q.C., Chairman of the Board, (Lawyer)

Business address: Howard, Cate, Ogilvy, Bishop, Cope, Porteous & Hansard,
Suite 700, The Royal Bank of Canada Building,
1, Place Ville Marie, Montreal 2, Quebec.

Home address: 1321 Sherbrooke Street West, Montreal, Quebec.

A. A. FRANCK, President

Business address: Suite 4105, One Place Ville Marie, Montreal 2, Quebec.

Home address: 4300 Western Avenue, Apt. 1022E, Westmount, Montreal 6, Quebec.

CHARLES DE BAR, Vice-President

Business address: 3, Montagne du Parc, Brussels, Belgium.

Home address: 57 Route Gouvernementale, Woluwé Saint Pierre, Brussels, Belgium.

ANGUS ATHOLE MACNAUGHTON, C.A., Vice-President (Chartered Accountant)

Business address: Suite 4105, One Place Ville Marie, Montreal 2, Quebec.

Home address: 4334 Montrose Avenue, Westmount, Montreal 6, Quebec.

L. R. SINCLAIR, C.A., Treasurer (Chartered Accountant)

Business address: Suite 4105, One Place Ville Marie, Montreal 2, Quebec.

Home address: 71 West Park, Dollard Des Ormeaux, Quebec.

WILLIAM W. TINMOUTH, B.C.L., Secretary (Lawyer)

Business address: Suite 4105, One Place Ville Marie, Montreal 2, Quebec.

Home address: 6879 Monkland Avenue, Montreal, Quebec.

22. **DIRECTORS**

The Directors of the Company are:

CHARLES DE BAR, Vice-President, Sogemines Limited

Business address: 3, Montagne du Parc, Brussels, Belgium.

Home address: 57 Route Gouvernementale, Woluwé Saint Pierre, Brussels, Belgium.

HENRY BLAISE, Administrateur-Délégué, Société Générale des Minerais

Business address: 31, rue du Marais, Brussels, Belgium.

Home address: 28, Avenue de l'Horizon, Brussels, Belgium.

FRANCIS CAMPBELL COPE, Q.C., Lawyer, Messrs. Howard, Cate, Ogilvy, Bishop, Cope, Porteous & Hansard

Business address: Suite 700, The Royal Bank of Canada Building, Montreal 2, Quebec.

Home address: 13 Northcote Road, Hampstead, Quebec.

WALTER LESLIE FORSTER, C.B.E., Executive, Chairman and President, Rothesay Paper Corporation

Business address: Suite 600, 1980 Sherbrooke Street West, Montreal 25, Quebec.

Home address: 61 Summit Grescent, Westmount, Montreal 6, Quebec.

A. A. FRANCK, Executive, President, Sogemines Limited

Business address: Suite 4105, One Place Ville Marie, Montreal 2, Quebec.

Home address: 4300 Western Avenue, Apt. 1022E, Westmount, Montreal 6, Quebec.

WILBERT HARVARD HOWARD, C.B.E., Q.C., Lawyer, Messrs. Howard, Cate, Ogilvy, Bishop, Cope, Porteous & Hansard

Business address: Suite 700, The Royal Bank of Canada Building,
1, Place Ville Marie, Montreal 2, Quebec.

Home address: 1321 Sherbrooke Street West, Montreal, Quebec.

ANDRÉ JADOUL, Executive, Administrateur Directeur-Général, Cimenteries * Briqueteries Réunies, S.A.

Business address: 34, Boulevard de Waterloo, Brussels, Belgium.

Home address: 23, Avenue de la Sapinière, Uccle, Belgium.

SERGE LAMBERT, Executive, Vice-Gouverneur, Société Générale de Belgique

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CERTIFICATION

Pursuant to resolutions duly passed by its Board of Directors, Sogemines Limited hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



SOGEMINES LIMITED

"WM. W. TINMOUTH", Secretary.

